

## **City of Seattle**Seattle Public Utilities

**DATE:** March 30, 2012

**T0:** Interested Parties

FROM: Hans Van Dusen, Solid Waste Contracts Manager

**RE:** Input on the Draft Organics Processing RFP

Seattle Public Utilities (SPU) posted a Pre-Release Draft of the Request for Proposals (RFP) for Organics Processing on March 2<sup>nd</sup>. Vendors and agencies submitted relevant input and questions by March 15<sup>th</sup>. SPU has now posted the Final RFP.

This memo captures the major elements of feedback received and how this input was addressed in the Final RFP. SPU has also posted red-line versions of the Draft RFP to highlight changes that were incorporated in the Final RFP.

The vendor input also included many requests for clarification that did not result in a modification of the RFP. These clarification questions and responses will be posted on the RFP webpage by April 4<sup>th</sup>.

## Revisions in the Final RFP based on vendor feedback:

- **Contract term** Vendors expressed concern regarding the potential length of the contract related to potential limitations in payment adjustment and uncertainty of future waste composition. The Final RFP now has a maximum term of 10-years, including extensions.
- Contamination Vendors expressed concerns about potential challenges and uncertainty
  related to perceived contamination in the received Organic Waste. The Final RFP incorporated
  City responsibility for all contamination delivered based on periodic waste sorting. The Final RFP
  also clarified the City's commitment to working with customers and collectors to minimize
  contamination and the opportunity for inbound load monitoring and contamination rejection at
  the transfer stations.
- Waste composition and projections Vendors requested more information on current future
  organics diversion and potential impact if food waste bans were implemented in City as
  considered in long-term plans. The Final RFP incorporates projection data from the City solid
  waste planning process. SPU will also provide data from the current ongoing organic waste
  composition study.
- Wood waste The Final RFP incorporated the recommendation to exclude laminated wood products from the clean wood received by city facilities.

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- Approved compostable service ware Vendors requested clarification in the RFP regarding approved compostable service ware. The Final RFP clarifies SPU intention to implement City approval and log program for service ware, based on processor testing results.
- **Delay RFP due date** Vendors requested an extension of the RFP deadline. SPU extended the RFP due date 2 weeks, to May 29<sup>th</sup>.

Other major areas of vendor interest that did not result in changes to the RFP included:

- Inflation terms Vendors expressed concerns that the inflation payment terms in the RFP might not match their expected future cost profile. SPU did not have supporting information to warrant change to a different inflation index, especially with proposed operations likely to include differing combinations of transportation and processing costs. The Final RFP contains the original inflation index for the proposed base prices. However, SPU does encourage proposers to provide alternative proposals (with their base proposals) that incorporate alternative inflation adjustments or other payment adjustments.
- Regulatory standards Vendor input recommended adopting requirements for best available
  control technologies that meet current Puget Sound Clean Air Agency emission standards
  regardless of where a facility is located. The Final RFP maintains the requirements that facilities
  meet all relevant local, state, and federal regulations for their location and operation. The Final
  RFP also maintains the relevant RFP Priorities and Evaluation Criteria to allow City to review
  proposed operations and proposed environmental controls.
- Changes to contract language Vendor input recommended a variety of changes to ancillary provisions in the Draft Processing Contract in Appendix B. These changes were not incorporated at this point.